

## Message Text

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FOR COLONEL HARVILL/NADREP

E.O. 11652: N/A

TAGS: NATO, MPOL

SUBJECT: PURCHASE OF EUROPEAN SUPPLIES BY NORTH  
AMERICAN FORCES STATIONED IN EUROPE

REF: AC/259-WP/26

1. PRIOR TO ATTEMPTING TO ANSWER THE SPECIFIC QUESTIONS  
POSED IN ANNEX III TO AC/259-WP/26 WE SHOULD EXPLAIN  
THE BASIC SYSTEM OF LOGISTICS SUPPORT USED BY THE U.S.  
FORCES.

GENERALLY SPEAKING, ALL MILITARY HARDWARE AND THE  
SPARE PARTS TO SUPPORT SUCH EQUIPMENT ARE CENTRALLY  
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MANAGED. BY CENTRAL MANAGEMENT WE MEAN THE PERFORMANCE  
OF WHOLESALE STOCK CONTROL AND DISTRIBUTION FUNCTIONS,  
COMPUTATION OF QUANTITATIVE AND FINANCIAL REQUIREMENTS,  
AND ACQUISITION OF THE HARDWARE FROM CONTRACTORS. SUCH  
CENTRAL MANAGEMENT FUNCTIONS ARE PERFORMED STATESIDE  
BY SPECIFICALLY DESIGNATED INSTALLATIONS FOR SPECIFIC  
WEAPON SYSTEMS OR FEDERAL STOCK CLASSES (FSC'S) OF

EQUIPMENT. ITEMS IDENTIFIED FOR CENTRAL MANAGEMENT IN THE SUPPLY CATALOGUE CANNOT BE PROCURED LOCALLY BY THE UNITS. RATHER THESE ITEMS ARE ACQUIRED ON A COMPETITIVE BASIS WHENEVER POSSIBLE BY THE STATESIDE INSTALLATION ASSIGNED CENTRAL MANAGEMENT RESPONSIBILITY FOR THE ITEM(S) INVOLVED.

THE REPAIR AND MODIFICATION OF CENTRALLY MANAGED EQUIPMENT IS SIMILARLY HANDLED. UNITS IN THE FIELD ARE AUTHORIZED TO PERFORM CERTAIN FIELD LEVEL MAINTENANCE. PERIODIC OVERHAUL, MAINTENANCE OR MODIFICATION NOT AUTHORIZED TO BE PERFORMED BY THE UNITS IN THE FIELD ARE PERFORMED BY STRATEGICALLY LOCATED DEPOTS OR THE SERVICES ACQUIRED BY CONTRACTS NEGOTIATED BY THE CENTRAL MANAGER. THE CENTRAL MANAGER CAN AUTHORIZE THE OVERSEAS COMMAND HEADQUARTERS TO ACQUIRE THESE SERVICES FROM LOCAL SOURCES.

THE DAR 6-805.2 THEN LISTS A NUMBER OF ITEMS AND SERVICES THAT CAN BE PROCURED BY U.S. PURCHASING OFFICES OVERSEAS FOR LOCAL CONSUMPTION WITHOUT THE RESTRICTION OF THE DOD BALANCE OF PAYMENT PROGRAM (BOP). HOWEVER, ANY ITEMS NOT AUTHORIZED IN THE REFERENCED DAR CAN -TILL BE ACQUIRED LOCALLY WITHOUT HINDERANCE FROM THE BOP IF SPECIFIC APPROVALS ARE OBTAINED IN ADVANCE.

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FINALLY, A WORD ABOUT MOU'S. A MANUFACTURER LOCATED IN A COUNTRY WITH WHOM THE U.S. HAS NEGOTIATED A RECIPROCAL DEFENSE PROCUREMENT MOU IS TREATED THE SAME AS A DOMESTIC SOURCE. CONSEQUENTLY, SUCH SOURCES ARE AUTHORIZED TO BID OR QUOTE ON ALL ITEMS NOT SPECIFICALLY PROHIBITED BY STATUTE OR NOT RESTRICTED BY U.S. POLICY. SUCH PROPOSALS WILL BE EVALUATED ON THE SAME BASIS AS A DOMESTIC SOURCE UNENCUMBERED BY THE RESTRICTIONS OF EITHER THE BUY AMERICAN ACT OR THE BOP. WHETHER THE ITEM OR SERVICE IS TO BE USED OR PERFORMED DOMESTICALLY OR OVERSEAS IS IMMATERIAL.

## 2. QUESTIONS:

A. TO WHAT EXTENT ARE NORTH AMERICAN FORCES PERMITTED TO PURCHASE SPARES, MAINTENANCE AND CONSUMABLES LOCALLY?

FOR THE MOST PART THE SPARES AND DEPOT LEVEL MAINTENANCE ARE CENTRALLY CONTROLLED AND MANAGED ITEMS OF SUPPLY AND SERVICES. AS SUCH, MANUFACTURERS LOCATED IN COUNTRIES WITH WHOM WE HAVE MOU'S WILL IN

MOST CASES BE GIVEN AN OPPORTUNITY TO BID ON AN EQUAL BASIS WITH A DOMESTIC SOURCE. IN THE AREA OF DEPOT MAINTENANCE, LIMITED WORK IS DONE IN EUROPE. THE AIR FORCE IS IN THE PROCESS OF ESTABLISHING AN F-111 AIRCRAFT REPAIR FACILITY IN EUROPE. CONSUMABLES SUCH AS PERISHABLE SUBSISTENCE, PETROLEUM PRODUCTS, ETC., ARE PROCURED LOCALLY.

B. IS THERE AN ANNUAL BUDGET FOR THIS PURPOSE AND IF SO IS IT BY UNIT, COMMAND OR COUNTRY?

ANSWER:

IN THE CASE OF CENTRALLY MANAGED ITEMS OF SUPPLY  
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OR SERVICES THE BUDGET IS PREPARED BY WEAPON SYSTEM AND FEDERAL SUPPLY CLASSES. WHEN THE BUDGET IS APPROVED AND FUNDS APPROPRIATED, THEY ARE ALLOCATED TO THE ACTIVITY THAT IS RESPONSIBLE FOR THE CENTRAL MANAGEMENT OF THE ITEM OR SERVICE. BASE SUPPORT BUDGETS ARE ALSO CONSOLIDATED INTO A DEPARTMENTAL SUBMISSION BASED ON SUBMISSION BY THE USING COMMANDS. THE ALLOCATION OF APPROPRIATE FUNDS GO BACK DOWN THE SAME WAY.

C. ARE LOCAL SUPPLIES AND SERVICES PURCHASED WHEN THEY ARE COST EFFECTIVE COMPARED WITH US/CANADIAN SOURCES OR ONLY IN SOME CASES?

ANSWER:

NONCENTRALLY CONTROLLED SUPPLIES OR SERVICES ARE USUALLY PROCURED WITHIN THE THEATER OF OPERATION, WHEN IT IS COST EFFECTIVE TO DO SO. CENTRALLY PROCURED SPARES AND EQUIPMENT ARE PROCURED AT THE LOWEST COST BY THE MANAGEMENT ACTIVITY. AGAIN EUROPEAN SOURCES WHOSE COUNTRY HAS AN EXISTING MOU ARE GIVEN THE SAME TREATMENT AS AN AMERICAN OR CANADIAN SOURCE.

D. ARE NORTH AMERICAN FORCES PERMITTED TO PURCHASE AMMUNITION/ORDNANCE LOCALLY?

ANSWER:

A VERY LIMITED AMOUNT OF SMALL CALIBER AMMUNITION IS BOUGHT LOCALLY BY THE ARMY. FOR EXAMPLE, THE ARMY PROCURED \$16 MILLION IN AMMUNITION (UP TO 30MM)  
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IN FY 1977 FROM BELGIUM.

E. WHAT SYSTEM OF PURCHASE IS USED, I.E., ASPRS  
OR LPOS?

ANSWER:

ALL DOD PROCUREMENTS ARE BASED ON ASPR WHICH HAS  
BEEN RENAMED DEFENSE ACQUISITION REGULARS (DARS). HOWEVER,  
LOCAL PURCHASES UNDER \$10,000 REQUIRE FEWER REGULATORY  
CONTROLS.

3. MILITARY SUPPLIES:

U.S. STATUTES STATE THAT PROCUREMENT SHALL BE  
FORMAL ADVERTISING, FULL AND FREE COMPETITION USING  
DRAWINGS, W;HENEVER SUCH METHOD IS FEASIBLE AND  
PRACTICABLE. CONTRACTING BY MEANS OF COMPETITIVE  
NEGOTIATION IS THE NEXT PREFERRED METHOD. SOLE OR  
SELECT SOURCE IS THE LEAST PREFERRED. REGARDLESS OF  
WHO THE EQUIPMENT IS ACQUIRED FROM INITIALLY, WE ATTEMPT  
TO ACQUIRE THE FOLLOW-ON SPARES SUPPORT ON A COMPETITIVE  
BASIS WHEREVER PRACTICABLE. IF THE EUROPEAN PRODUCERS  
ARE IN FACT A COST-EFFECTIVE ALTERNATE SOURCE OF SUPPLY,  
THEN THE ITEM WILL BE ACQUIRED FROM THEM.

4. SERVICING FACILITIES:

THE ESTABLISHMENT OF THE F-111 FACILITY IN EUROPE  
MENTIONED EARLIER IS THE TYPE OF PROGRAM DISCUSSED.  
NO ADDITIONAL OVERHAUL OR MAINTENANCE CONTRACTS ARE  
CONTEMPLATED BASED ON OUR CONTACTS WITH THE SERVICE.

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